



February 16, 2016

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## ENGROSSED HOUSE BILL No. 1046

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DIGEST OF HB 1046 (Updated February 11, 2016 11:27 am - DI 55)

**Citations Affected:** IC 6-2.5; IC 24-4.

**Synopsis:** Sales of bullion or currency. Provides a sales tax exemption for transactions involving the sale of: (1) coins that are permitted investments by an individual retirement account under federal law; (2) bullion that is a permitted investment by an individual retirement account under federal law; or (3) legal tender. Authorizes the secretary of state to issue a temporary registration to a foreign entity that wishes to sell precious metals bullion or currency at a trade fair or coin show in Indiana and is not otherwise lawfully authorized to conduct business in Indiana. Provides that a registration issued to a foreign entity expires after 28 days. Requires a foreign entity wishing to obtain a registration to submit an application to the secretary of state and pay a fee. Requires that the fees be deposited in the electronic and enhanced access fund. Prohibits a foreign entity from selling precious metals bullion or currency at a trade fair or coin show in Indiana unless the foreign entity: (1) registers with the secretary of state; or (2) is otherwise authorized to conduct business in Indiana.

**Effective:** July 1, 2016.

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### Beumer, Wolkins, Heaton, Niezgodski

(SENATE SPONSORS — HERSHMAN, KRUSE, RAATZ, ROGERS)

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January 5, 2016, read first time and referred to Committee on Ways and Means.

January 25, 2016, amended, reported — Do Pass.

January 28, 2016, read second time, ordered engrossed.

January 29, 2016, engrossed.

February 1, 2016, read third time, passed. Yeas 74, nays 20.

#### SENATE ACTION

February 3, 2016, read first time and referred to Committee on Commerce and Technology.

February 15, 2016, amended, reported favorably — Do Pass; reassigned to Committee on Tax and Fiscal Policy.

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February 16, 2016

Second Regular Session of the 119th General Assembly (2016)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2015 Regular Session of the General Assembly.

## ENGROSSED HOUSE BILL No. 1046

A BILL FOR AN ACT to amend the Indiana Code concerning  
taxation.

*Be it enacted by the General Assembly of the State of Indiana:*

1       SECTION 1. IC 6-2.5-5-47 IS ADDED TO THE INDIANA CODE  
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
3 1, 2016]: **Sec. 47. Transactions involving the sale of or the lease or**  
4 **rental of storage for:**

5           (1) **coins that are permitted investments by an individual**  
6 **retirement account or by an individually-directed account**  
7 **under 26 U.S.C. 408(m);**

8           (2) **bullion that is a permitted investment by an individual**  
9 **retirement account or by an individually-directed account**  
10 **under 26 U.S.C. 408(m); or**

11          (3) **legal tender;**  
12 **are exempt from the state gross retail tax.**

13       SECTION 2. IC 24-4-20 IS ADDED TO THE INDIANA CODE AS  
14 A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY  
15 1, 2016]:

16       **Chapter 20. Foreign Sellers of Precious Metals Bullion and**  
17 **Currency**

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1       **Sec. 1. The following definitions apply throughout this chapter:**

2           (1) "Currency" means a coin made of gold, silver, or other  
3           metal or paper money that is or has been used as legal tender.

4           (2) "Foreign entity" means:

5               (A) if the person is a sole proprietor, an individual who  
6               does not reside in Indiana; or

7               (B) if the person is not a sole proprietor, a person who is  
8               not authorized under the laws of Indiana.

9           (3) "Person" means a sole proprietor, a partnership, a  
10           corporation, a limited liability company, or other business  
11           entity.

12           (4) "Precious metals bullion" means bars, ingots, or  
13           commemorative medallions of gold, silver, platinum,  
14           palladium, or a combination of these materials for which the  
15           value of the metal depends on its content and not its form.

16           (5) "Secretary" refers to the secretary of state.

17       **Sec. 2. The secretary may issue a temporary registration in**  
18       **accordance with this chapter to a foreign entity that:**

19           (1) wishes to sell precious metals bullion or currency at a  
20           trade fair or coin show in Indiana;

21           (2) is not otherwise lawfully authorized to conduct business in  
22           Indiana; and

23           (3) complies with requirements of this chapter.

24       **Sec. 3. A registration issued under this chapter expires not later**  
25       **than twenty-eight (28) days after the date on which the registration**  
26       **is issued.**

27       **Sec. 4. A foreign entity that wishes to obtain a temporary**  
28       **registration to sell precious metals bullion or currency at a trade**  
29       **fair or coin show in Indiana under this chapter must do the**  
30       **following:**

31           (1) Submit an application to the secretary in the form and the  
32           manner prescribed by the secretary.

33           (2) Pay a fee of thirty-five dollars (\$35) to the secretary.

34       **Sec. 5. A foreign entity registered under this chapter is entitled**  
35       **to sell precious metals bullion and currency at a trade fair or coin**  
36       **show in Indiana during the term of the registration if the contract:**

37           (1) is for the purchase of precious metal bullion or currency;

38           (2) requires physical delivery of the quantity of the precious  
39           metals bullion or currency purchased not later than  
40           twenty-eight (28) calendar days after payment of any part of  
41           the purchase price; and

42           (3) under which the purchaser receives physical delivery of



1           the quantity of precious metals bullion or currency purchased  
2           not later than twenty-eight (28) calendar days after payment  
3           of any part of the purchase price.

4           Sec. 6. A foreign entity may not sell precious metals bullion or  
5           currency at a trade fair or coin show in Indiana unless the foreign  
6           entity:

7               (1) registers with the secretary of state under this chapter; or

8               (2) is otherwise authorized to conduct business in Indiana.

9           Sec. 7. Fees collected under this chapter shall be deposited in the  
10          electronic and enhanced access fund established by IC 4-5-10-5.



## COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1046, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, line 7, delete "bars, ingots, or commemorative medallions" and insert "**bars or ingots**".

Page 1, after line 14, begin a new paragraph and insert:

"SECTION 2. IC 24-4-20 IS ADDED TO THE INDIANA CODE AS A **NEW CHAPTER** TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]:

**Chapter 20. Foreign Sellers of Precious Metals Bullion and Currency**

**Sec. 1. The following definitions apply throughout this chapter:**

- (1) "Currency" means a coin made of gold, silver, or other metal or paper money that is or has been used as legal tender.
- (2) "Foreign entity" means:
  - (A) if the person is a sole proprietor, an individual who does not reside in Indiana; or
  - (B) if the person is not a sole proprietor, a person who is not organized under the laws of Indiana.
- (3) "Person" means a sole proprietor, a partnership, a corporation, a limited liability company, or other business association.
- (4) "Precious metals bullion" means bars or ingots of gold, silver, platinum, palladium, or a combination of these materials for which the value of the metal depends on its content and not its form.
- (5) "Secretary" refers to the secretary of state.

**Sec. 2. The secretary may issue a temporary license in accordance with this chapter to a foreign entity that:**

- (1) wishes to sell precious metals bullion or currency in Indiana;
- (2) is not otherwise lawfully registered to conduct business in Indiana; and
- (3) complies with requirements of this chapter.

**Sec. 3. A license issued under this chapter expires not later than twenty-eight (28) days after the date on which the license is issued.**

**Sec. 4. A foreign entity that wishes to obtain a temporary license to sell precious metals bullion or currency in Indiana under this chapter must do the following:**

- (1) Submit an application to the secretary in the form and the



manner prescribed by the secretary.

(2) Pay a fee of thirty-five dollars (\$35) to the secretary.

**Sec. 5. A licensee under this chapter is entitled to sell precious metals bullion and currency in Indiana during the term of the license if the contract:**

(1) is for the purchase of precious metal bullion or currency;  
(2) requires physical delivery of the quantity of the precious metals bullion or currency purchased not later than twenty-eight (28) calendar days after payment of any part of the purchase price; and

(3) under which the purchaser receives physical delivery of the quantity of precious metals bullion or currency purchased not later than twenty-eight (28) calendar days after payment of any part of the purchase price.

**Sec. 6. A foreign entity may not sell precious metals bullion or currency in Indiana unless the foreign entity:**

(1) obtains a license under this chapter; or

(2) is otherwise authorized to conduct business in Indiana."

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1046 as introduced.)

BROWN T

Committee Vote: yeas 16, nays 5.

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#### COMMITTEE REPORT

Madam President: The Senate Committee on Commerce and Technology, to which was referred House Bill No. 1046, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 1, delete lines 1 through 14, begin a new paragraph and insert:

"SECTION 1. IC 6-2.5-5-47 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: **Sec. 47. Transactions involving the sale of or the lease or rental of storage for:**

(1) coins that are permitted investments by an individual retirement account or by an individually-directed account under 26 U.S.C. 408(m);

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**(2) bullion that is a permitted investment by an individual retirement account or by an individually-directed account under 26 U.S.C. 408(m); or**

**(3) legal tender;**

**are exempt from the state gross retail tax."**

Page 2, line 10, delete "organized" and insert "**authorized**".

Page 2, line 13, delete "association." and insert "**entity**".

Page 2, line 14, delete "bars or ingots" and insert "**bars, ingots, or commemorative medallions**".

Page 2, line 19, beginning with "Sec." begin a new paragraph.

Page 2, line 19, delete "license" and insert "**registration**".

Page 2, line 21, after "currency" insert "**at a trade fair or coin show**".

Page 2, line 23, delete "registered" and insert "**authorized**".

Page 2, line 26, delete "license" and insert "**registration**".

Page 2, line 27, delete "license" and insert "**registration**".

Page 2, line 28, delete "license" and insert "**registration**".

Page 2, line 29, after "currency" insert "**at a trade fair or coin show**".

Page 2, line 34, delete "licensee" and insert "**foreign entity registered**".

Page 2, line 35, after "currency" insert "**at a trade fair or coin show**".

Page 2, line 36, delete "license" and insert "**registration**".

Page 3, line 5, after "currency" insert "**at a trade fair or coin show**".

Page 3, line 6, delete "obtains a license" and insert "**registers with the secretary of state**".

Page 3, after line 7, begin a new paragraph and insert:

**"Sec. 7. Fees collected under this chapter shall be deposited in the electronic and enhanced access fund established by IC 4-5-10-5."**

and when so amended that said bill do pass and be reassigned to the Senate Committee on Tax and Fiscal Policy.

(Reference is to HB 1046 as printed January 26, 2016.)

BUCK, Chairperson

Committee Vote: Yeas 10, Nays 0.

